

MINUTES OF THE MEETING OF BOARD OF PUBLIC WORKS, OCTOBER 29, 1943

The Board of Public Works met on October 29th, 1943, in the office of the Governor, State House, Annapolis, Maryland.

There were present: Herbert R. O'Connor, Governor
J. Millard Tawes, Comptroller
Hooper S. Miles, Treasurer

Mr. Walter N. Kirkman, Director of the Department of Budget and Procurement, also attended the meeting.

The Minutes of the Meeting of September 7th, 1943, copy of which was sent to each member of the Board, were approved.

BOARD OF MENTAL HYGIENE:

The Secretary was authorized to include in the minutes of this meeting the verbal approval given individually by the members of the Board recently to the plan for overtime pay to be authorized in the State hospitals for mental patients for certain employees, as set forth in the following "Overtime Plan" submitted by Dr. George H. Preston, Commissioner of Mental Hygiene, effective as of October 15, 1943.

1. Overtime Pay to be authorized in the State Hospitals for Mental Patients for Employees.
 - a. Charged with the ward care of patients, except physicians.
 - b. Engaged in the preparation of food.
 - c. Engaged in the operation of power plants.
2. That Overtime Pay be granted at the following rates for each required working hour over 8 hours a day.

<u>Salary Standard Pay per month</u>	<u>Overtime pay per hour</u>
\$50.00	25¢
55.00	27½¢
60.00	30¢
65.00	32½¢
70.00	35¢

This rate was calculated on the following basis:

Number of working days in year: 365 less 52 days for
1 day off a week, less 10 days Official Holiday (Maryland Manual).

Total 303 days at 8 hours	2424
Total working hours a month	202
Hourly rate 1/202 of monthly rate.	
Set at 1/200 of monthly rate for ease of calculation.	

CONVENTIONS:

The Secretary brought to the attention of the Board a communication received from Mr. J. Davis Donovan, Chief of the Division of Legal Administration of the State Department of Health, wherein authority was requested by Mr. Donovan to attend a meeting of the National Association of Bedding Manufacturers in Chicago on December 7, 8, and 9th.

After discussing the matter it was felt that the attendance of Mr. Donovan at the convention would be justified, but that since the rule is for the head of the Department to apply to the Board for authority for the attendance of someone representing the department at conventions, the request should have come either from Dr. Riley or had his approval in being forwarded to the Board. The Secretary was authorized to write to Dr. R. H. Riley, Director of the State Department of Health, advising of the approval of the Board, with the understanding that the attendance of Mr. Donovan at the meeting is approved by him.

Conventions (con't.)

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The Secretary brought to the attention of the Board a communication from Major Ezra B. Whitman, Chairman of the State Roads Commission, requesting authority for the attendance at the American Association of State Highway Officials in Chicago, beginning on December 1st, of the Chairman, the Chief Engineer, the Right-of-Way Engineer, and the Bridge Engineer of the State Roads Commission. In his letter, Major Whitman urged that the request be approved because of the importance of the business to come before the convention dealing with post-war road construction.

After due consideration of the matter, the request of Major Whitman was approved.

DEPARTMENT OF CORRECTION:

The Secretary brought to the attention of the Board a communication received from the Department of Correction, dated October 19th, 1943, requesting authority for the employment of additional personnel at the Women's Prison, the request covering:

- 1 Matron, Grade I, as Matron in Charge of Cottage, at the minimum salary of \$1,000.00;
- 1 Matron, Grade II, as farm and general utility matron for outside work, at the minimum salary of \$900.00;
- 1 Matron, Grade II, as Night Supervisor, at the minimum salary of \$900.00.

Authority was also requested to increase the allowance for the physician at the Maryland House of Correction to the extent of \$500.00 per annum to take care of additional services rendered by him covering medical service performed by him at the Women's Prison; and, further, a payment of \$15.00 per month, effective July 1, 1943, as additional compensation, to the employees of the Maryland House of Correction on the payroll as of July 1, 1943, and earning less than \$1,500.00 per annum, as provided by the Standard Salary Plan.

The Board approved the request for the employment of the three matrons mentioned above, the salaries to be provided by the transfer of the necessary amount from the Special Fund Account of the Maryland House of Correction.

The Board took no action as to approval of the requests for additional compensation for the physician and for the employees of the Maryland House of Correction, but the Board did feel that the matter should be referred to the Standard Salary Board for its consideration and requested the Secretary to do this.

DEPARTMENT OF TIDEWATER FISHERIES:

The Secretary brought to the attention of the Board a communication received from Mr. Edwin Warfield, Chairman of the Department of Tidewater Fisheries, dated October 27th, 1943, together with letter which had been received by the Department of Tidewater Fisheries from Gielow-Incorporated, Naval Architects-Engineers of New York City, relative to the matter of sale of the State Steamer Governor R. M. McLane.

After considering the information submitted by Gielow-Incorporated and in Mr. Warfield's letter on the subject, the Board revised its views in the matter and agreed to set a price of \$50,000 net to the State for the sale of the vessel.

LEASES:

Mr. Kirkman reported that he was unable to report, at this meeting, relative to providing office space for the Department of Correction in Baltimore City and because of the uncertainty of the situation with reference to office space in Baltimore for the various State Departments, the matter of locating space for the Department of Correction in the transfer of those offices from Annapolis to Baltimore was deferred for the time being, at least.

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The Board approved the execution of a renewal lease for the State Accident Commission with the Calvert Building and Construction Company, for a term of one year from November 1, 1943, at an annual rental of \$12,229.00, to cover space on the south side of the 7th Floor of the Equitable Building; Rooms 725, 723, 728, 744, 746, 747, 748, 749, 750, and 752; and storage space in the basement of the Calvert Building.

MARYLAND LINE CONFEDERATE SOLDIERS' HOME:

The Secretary brought to the attention of the Board communication from the Sloan Company, renewing the negotiations which it had with the State in 1942 in behalf of a client, relative to the sale of the property in Pikesville, Maryland, known as the Maryland Line Confederate Soldiers' Home.

The Secretary reported that he had seen Mr. Charles H. Buck recently and that Mr. Buck was interested in obtaining, on behalf of clients represented by him, from the State, information as to the value placed upon the property by the State for sale purposes. Mr. Buck suggested that the Board of Public Works obtain an outside appraisal of the property so that it would be in a position to know the value of the property in considering any offers for the purchase of it. It was suggested by Mr. Buck that the Appraisal Committee of the Real Estate Board of Baltimore would be able to give the Board of Public Works the best information available as to the value of the property.

After discussing the matter, the Secretary was instructed to contact the Real Estate Board of Baltimore and ascertain whether the Real Estate Board would be willing to furnish this service to the State gratis and if not, upon what basis the service could be rendered.

MISCELLANEOUS:

The Secretary brought to the attention of the Board a communication from Mr. Wm. L. Stuckert, Chief Probation Officer of the Probation Department of The Supreme Bench of Baltimore City, dated October 25th, 1943, requesting that a copy of the 1939 Edition of the Annotated Code of Maryland be furnished the Probation Department for its use.

The request was approved.

Post War Planning Commission: and, Maryland State Planning Commission:

Mr. Kirkman brought to the attention of the Board the question of salary for Mr. I. Alvin Pasarew, Director of the Maryland State Planning Commission, and Secretary of the Post War Planning Commission. At the present time Mr. Pasarew is receiving separate salaries from the two agencies but is desirous of combining the two salaries so that the compensation to be received by him would be from one source, namely, the Maryland State Planning Commission.

After consideration of the matter it was decided that the compensation to be received by Mr. Pasarew in the future should be along the lines on which he is receiving salary at the present time and that there should be no change from the practice of receiving his compensation from the two sources.

STATE PROPERTY:

See: Department of Tidewater Fisheries, these minutes.

STATE EMPLOYEES:

Leave

The State Comptroller brought to the attention of the Board the case of Mrs. Sophia T. Munford, an employee of the State Comptroller's Office for more than twenty (20) years, who applied to the Employees' Retirement System of the State of Maryland for voluntary retirement upon reaching the age of 65 years on November 5, 1943. Mrs. Munford's physical condition has made it difficult for her to perform her duties in the usual manner for the past year or so, and since the Employees' Retirement System had approved her application for retirement effective November 30, 1943,

The Comptroller requested authority from the Board to allow Mrs. Munford to take sick leave for approximately two weeks, covering the latter half of the month of November, under the provisions of Chapter 987 of the Acts of 1943, since she had an accumulation of vacation and sick leave sufficient to cover the first half of the month of November, 1943.

The request of the Comptroller was approved.

STATE ROADS COMMISSION:

The Secretary brought to the attention of the Board a communication received from Mr. L. H. Steuart, Secretary of the State Roads Commission, requesting that the Board join in the execution of deed from the State Roads Commission to The Philadelphia, Baltimore and Washington Railroad Company, The Pennsylvania Railroad Company, for itself and as Lessee of the Philadelphia, Baltimore and Washington Railroad Company, so far as the Board of Public Works and the State Roads Commission have the right, title and authority so to do, grating and conveying the right of way to lay an additional track on the section of its railroad which crosses Bel Air Avenue, in the Town of Aberdeen, Harford County, Maryland, which Avenue is a public highway of the State of Maryland known as State Highway Route No. 22.

The Board approved the execution of this deed and affixed their signatures thereto.

STATE TAX RATE:

The Board took up for consideration the provisions of Chapter 709 of the Acts of 1943, being an Act to authorize the Board of Public Works to apply any excess receipts above a specified surplus for the fiscal years ending June 30, 1943, and June 30, 1944, to the State Debt and to reduce the State Tax on real and personal property and/or state income tax for such fiscal years.

The Secretary submitted to the Board a statement which had been prepared by the State Comptroller's Office, showing the estimated yield from income taxes from individuals on 1942 incomes and on 1943 incomes, and indicating a possible reduction to be applied to income taxes of individuals in connection with the 1943 returns to be filed by them. The statement submitted follows.

Memorandum re use of excess general funds surplus
in reduction of rate of tax on individual incomes.

Estimated amount to be received from tax of 2% on incomes of individuals - 1942.	\$9,000,000.00
(The actual revenue on basis of returns filed supports this figure.)	
Less: Deduction of 33 1/3% authorized by General Assembly of 1943	3,000,000.00
Net amount to be received by State	\$6,000,000.00
Less: Amount (25%) to be distributed to City & Counties	1,500,000.00
Net amount for account of general funds of State	<u>\$4,500,000.00</u>
Estimated amount to be received from tax of 2% on incomes of individuals - 1943 tax year	\$9,630,000.00
(\$9,000,000 plus 7% to cover increase in 1943 over 1942)	
Less: Deduction of 33 1/3% authorized by General Assembly of 1943	3,210,000.00
	\$6,420,000.00
Less: Amount (25%) to be distributed to City & Counties	1,605,000.00
Net amount for account of general funds of State	<u>\$4,815,000.00</u>
Estimated amount - 1943	\$9,630,000.00
Less: Assumed deduction of 50%	4,815,000.00
Net amount to be received by State	\$4,815,000.00
Less: Amount (25%) to be distributed to City & Counties	1,203,750.00
Net amount for general funds of State	<u>\$3,611,250.00</u>

Amount required by budget from general funds of State	\$4,815,000.00
Amount estimated to be received if deduction of 50% of tax on individual incomes is prescribed	<u>3,611,250.00</u>
Balance chargeable to estimated excess surplus of \$1,908,000.00.	<u><u>\$1,203,750.00</u></u>

City and Counties:

Estimated amount to be distributed:

On basis of 33 1/3% deduction

\$1,605,000.00

On basis of 50% deduction

1,203,750.00

Loss to City and Counties

\$ 401,250.00

After carefully considering and discussing the matter it was felt that it would be in order to increase the rate of reduction in the amount of 33 1/3% already provided by the General Assembly on income taxes to 50%, to apply in the case of resident individuals and to non-resident and fiduciary returns although Mr. Miles stated that he had not been able to give much consideration to the question and would like to be excused from voting, but that it would be agreeable to him if the Governor and the Comptroller felt that they wanted to vote for the amount of the deduction, if they wanted to decide the matter at this meeting and not defer it until some later date. The Comptroller stated that he was favorable to increasing the deduction and that he was anxious to get the question settled as promptly as possible because of the benefit to accrue to his office in its work of having printed the necessary forms, etc. for the filing of the 1943 returns and the placing of these forms in the hands of the taxpayers promptly at the close of the tax year so that the taxpaying public would be able to start filing their returns promptly in the year 1944 and thereby ease the burden of the Comptroller's Office in the handling of as many returns as possible before the rush for filing returns immediately before the filing date of April 15, 1944.

The Governor and the Comptroller thereupon voted in favor of increasing the rate of the deduction from 33 1/3% to 50% to apply to income taxes due from resident individuals, non-resident individuals, and fiduciaries in the amount of taxes due from them in their 1943 returns.

UNIVERSITY OF MARYLAND:

The Secretary brought to the attention of the Board a communication received from Dr. H. C. Byrd, President of the University of Maryland, dated October 26th, 1943, relative to the action of the Board at a previous meeting in ordering the reversion of \$45,729.42 of unexpended and unobligated money in the budget of the University of Maryland at the close of the fiscal period on June 30, 1943. Dr. Byrd in his letter of October 26th advised the Board that this amount would be necessary to balance the University's budget for the biennium ending June 30, 1945, and that he understood that the Board was willing, if the money were needed to balance the budget in the second year of the University's biennium, to make it available out of the General Emergency Fund.

Dr. Byrd also advised in his letter of October 26th that there were obligations existing as of June 30, 1943 which should be payable out of the amount of \$45,729.42 which was reverted to the State Treasury at the instance of the Board in its consideration of the University's fiscal requirements.

After considering the situation the Board felt that it could not amend its previous action in ordering the reversion because of the fact that the books of the Treasury Department were closed as of June 30, 1943 and the surplus of the State established at that date based on the reversion of the \$45,729.42 in the account of the University of Maryland, and that it would be impossible to re-open the surplus account and change it at this time. It was further felt that the University should make an effort to take care of the items listed in its letter of October 26, 1943, as unpaid obligations at June 30, 1943, out of funds available to the University in the biennium ending June 30, 1945.

MISCELLANEOUS:

The Secretary brought to the attention of the Board a letter received from

Hon. Wm. C. Walsh, Attorney General of Maryland, attached to which was a "Statement Regarding Rate Increases Made to Comply with Minimum Rates Fixed by State and Local Agencies for Work on Public Projects," approved by the National War Labor Board on September 22, 1943, and copy of letter which the Attorney General wrote to Mr. Bert W. Levy, Regional Attorney of the National War Labor Board, Philadelphia, Pennsylvania, dated October 27th, 1943, outlining the position taken by the State of Maryland in connection with the fixing of rates for work on public projects. The letter of the Attorney General to the National War Labor Board is quoted for the record.

"Permit me to acknowledge the receipt of your letter of October 23rd with which you enclosed a number of copies of the statements regarding rate increases made to comply with minimum rates fixed by State and local agencies for work on public projects, approved by the National War Labor Board on September 22, 1943, and suggested that I send a copy of the statement to each agency in Maryland to which the statement would apply.

"So far as I am advised, there are no State laws in Maryland which fix rates of pay on public projects, though there probably are various municipalities which have minimum wage laws for persons working for the town or city covered by the law, and some of those municipal laws may extend to the wage rates to be paid by contractors who are performing work for the particular town or municipality. However, this office has no official connection of any sort with these municipalities, and as there are hundreds of them in the State, and the determination of the question of whether they have such laws would require an examination of each charter, I am sure you will appreciate that it would be impossible for this office to determine which municipalities have such laws.

"I find that the State Roads Commission of Maryland provides for the payment of certain area wages and requires contractors to pay such wages where the project is being wholly or partially financed with Federal funds, and I am accordingly sending a copy of the statement you enclosed to the Commission with the suggestion that it be applied to cases in which projects are being wholly or partially financed by Federal funds. However, the Commission does not fix area rates for contractors where the work is financed wholly by State funds, and hence the statement would not seem to be applicable to such cases.

"The Maryland Board of Public Works, which is composed of the Governor, State Treasurer and the State Comptroller, has general supervision over all State projects which are financed wholly or in part with State Funds, but as I do not know of any laws which require the payment of minimum wages on such projects, it would not seem that the statement would be applicable to such projects. However, I am sending a copy of the statement to the Board of Public Works for its consideration.

"While I am sure that the State is willing and anxious to cooperate in every proper way with the Federal authorities in all matters pertaining to the successful prosecution of the war, I deem it well to point out that the State does not recognize the right of the Federal Government to fix wages or salaries for State employees, and it is my understanding that, at a conference held by a committee of Attorneys General with Director Byrnes last December, it was agreed that the Federal Government would not attempt to exercise any control over the officials and employees of the State and local governmental units, and I do not wish my remarks with regard to the statement which you sent me to be construed as in any way waiving or yielding the principle of State sovereignty in such matters.

"Under Section 8 of Article 44A of the Maryland Code, title "Housing Authorities", such Authorities are authorized to provide their own rates of pay for contractors doing work for the Authority, but whether such Authorities are State agencies within the meaning of your letter, I do not know. However, if you would like copies of the statement sent to such Authorities, I will endeavor to ascertain how many of them there are in the State and send a copy to each of them.

"Trusting you will find the above satisfactory, I am, with kindest regards,"

Sincerely yours,
(signed)

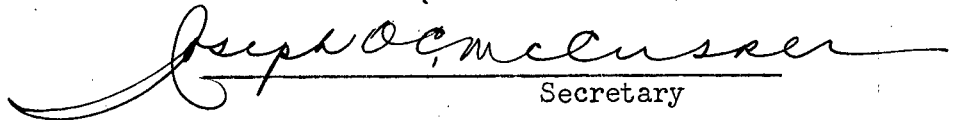
William C. Walsh
Attorney General

WCW:MH

The Board approved the letter written by the Attorney General to the National War Labor Board as setting forth the attitude of the State of Maryland in the matter of wages to be paid in connection with any public work done by the State.

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There being no further business, the meeting was adjourned.


Secretary